

AMENDED IN SENATE APRIL 5, 2006

AMENDED IN SENATE MARCH 27, 2006

**SENATE BILL**

**No. 1416**

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**Introduced by Senator Battin**

February 22, 2006

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An act to add Sections 43013.6 and 43013.7 to the Health and Safety Code, relating to gasoline.

LEGISLATIVE COUNSEL'S DIGEST

SB 1416, as amended, Battin. Air resources: gasoline supply.

Existing law establishes the Air Pollution Control Fund in the State Treasury and provides that, upon appropriation, the money in the fund shall be available to the State Air Resources Board to carry out its duties and functions. Existing law requires the state board to ensure that regulations adopted for California Phase 3 Reformulated Gasoline (CaRFG) meet specified requirements.

This bill would request the University of California to conduct a study on the impact of allowing gasoline that does not comply with CaRFG standards to be used in the state, including the impact of allowing gasoline that does not comply with CaRFG on the price of gasoline, air quality, and other environmental concerns, and *a review of* the methods of importing and providing gasoline that ~~do~~ *does* not comply with CaRFG standards.

~~This~~

*The* bill would also provide that any gasoline approved for sale in California by the federal Environmental Protection Agency may be imported into, and sold in, this state. The bill would require the state board to impose ~~an 8¢~~ *a 6¢* per gallon fee on any importer of any federally approved gasoline imported into this state for sale that does

not comply with the CaRFG standards, and on any producer located in this state of any ~~federally approved gasoline produced in the state~~ for use in the state that does not comply with CaRFG standards. The bill would require that all revenue received from the fee ~~to be deposited in the Clean Gasoline Account, that~~ *which* would be created by the bill, in the Air Pollution Control Fund. Under the bill, the money in the account would be available ~~to the state board,~~ upon appropriation, *to the state board* to reduce air pollution caused by motor vehicle emissions. The bill would specify that if the federal Environmental Protection Agency implements air pollution standards on gasoline that are ~~more at least as stringent than~~ *as* the CaRFG standards, no fee would be imposed ~~under this bill on gasoline producers under this bill~~ *any importer or producer of gasoline*. The bill would become operative on July 1, 2007.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 43013.6 is added to the Health and
- 2 Safety Code, to read:
- 3 43013.6. The Legislature requests that the University of
- 4 California conduct a study providing all of the following:
- 5 (a) An examination of the impact of allowing the use of
- 6 gasoline that does not comply with California Phase 3
- 7 Reformulated Gasoline Standards (CaRFG) on gasoline prices in
- 8 the state.
- 9 (b) An estimate of the volume of gasoline that would likely be
- 10 imported pursuant to Section 43013.7.
- 11 (c) A review of the potential transportation methods for
- 12 importing gasoline that does not comply with CaRFG into this
- 13 state, and the potential environmental impacts of that
- 14 transportation.
- 15 (d) An estimate of the length of time gasoline described in this
- 16 section would likely be imported into the state.
- 17 (e) An analysis of the impact that the use of gasoline that does
- 18 not comply with CaRFG would have on air quality in the state.
- 19 (f) An examination of whether the use of gasoline that does
- 20 not comply with CaRFG should be limited to specific geographic
- 21 regions of the state, or limited to specific times of year.

1 (g) An examination of the impact that the use of gasoline that  
2 does not comply with CaRFG would have on late-model cars,  
3 specifically analyzing the harm to catalytic converters, and any  
4 resulting environmental impact.

5 (h) An analysis of potential emission offsets under existing  
6 emission reduction purchase programs, and an identification and  
7 analysis of those elements that would be necessary for the  
8 operation of a new emission reduction purchase program for  
9 mobile sources that use gasoline that does not comply with  
10 CaRFG.

11 (i) An examination of the adequacy of the fee imposed by  
12 Section 43013.7, based on a comparison of the estimated total  
13 funds raised by the fee to the costs of any pollution reduction  
14 purchases.

15 (j) ~~Methods~~ *A review of the methods* of providing gasoline that  
16 does not comply with CaRFG to independent service stations in  
17 order to assist those stations in competing in the gasoline  
18 marketplace.

19 SEC. 2. Section 43013.7 is added to the Health and Safety  
20 Code, to read:

21 43013.7. (a) Any gasoline approved for sale in California by  
22 the federal Environmental Protection Agency pursuant to the  
23 federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) may be  
24 imported into, and sold in, this state.

25 (b) The state board shall impose ~~an eight-cent (\$0.08)~~ *a six*  
26 *cent (\$0.06)* per gallon fee on both of the following:

27 (1) Any importer of gasoline imported into this state for sale  
28 pursuant to subdivision (a) that does not comply with the  
29 California Phase 3 Reformulated Gasoline standards adopted by  
30 the state board.

31 (2) Any producer located in California that produces gasoline  
32 for use in the state that does not comply with the California  
33 Phase 3 Reformulated Gasoline standards adopted by the state  
34 board.

35 (c) The fee imposed pursuant to subdivision (b) shall be  
36 imposed on the importer or producer, as applicable, of the  
37 gasoline and shall be remitted to the state board on a monthly  
38 basis.

39 (d) All revenue received from the fee imposed pursuant to this  
40 section shall be deposited in the Clean Gasoline Account, which

1 is hereby created in the Air Pollution Control Fund. Upon  
2 appropriation, the money in the account shall be available to the  
3 state board to reduce air pollution caused by motor vehicle  
4 emissions.

5 (e) If the federal Environmental Protection Agency  
6 implements air pollution standards on gasoline that are ~~more~~  
7 ~~stringent than~~ *at least as stringent as* those implemented by the  
8 state board, the fee described in subdivision (b) shall not be  
9 imposed on any *importer or* producer of gasoline.

10 SEC. 3. This act shall become operative on July 1, 2007.